
5B

Action

Fiscal Policy and Planning Committee

Proposed Budget Change Proposals for Fiscal Year 2008-09

Executive Summary: This agenda item presents a proposed Fiscal Year 2008-09 Budget Change Proposal (BCP) Concept for Commission consideration.

Recommended Action: Approve the BCP concept as presented in the item in order to allow staff time to develop a complete BCP for submission to the Department of Finance by the February 13, 2008 deadline.

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section

Strategic Plan Goal: 6

Maximize the effectiveness of the agency and its staff through the optimal use of technology, ongoing staff development and maintenance of a positive work environment.

- ◆ Use technologies to support both ongoing operations and innovations designed to increase efficiency.
- ◆ Conduct periodic review of the efficiency of the day-to-day operation and financial accountability of the Commission.

Proposed Budget Change Proposals for Fiscal Year 2008-09

Introduction

Staff is presenting the proposed 2008-09 Budget Change Proposal (BCP) in the form of a brief two page summary for the Commission to review and approve. Once the BCP concept is approved Commission staff will develop a full BCP for submittal to the Department of Finance (DOF) by the February 13, 2008 deadline.

Background

On an annual basis state agencies have two opportunities to submit BCPs to the Department of Finance for consideration for the next budget development cycle. Any proposal approved by the Administration will be the basis for discussion with the Legislative budget subcommittees during the spring hearing process.

According to the State Administrative Manual a BCP is defined as “a proposal to change the level of services or funding sources for activities authorized by the Legislature, propose new activities not currently authorized, or delete existing programs. **All information contained in BCPs is strictly confidential until released by the Governor.** Each department is responsible for maintaining the confidentiality of its respective BCPs until approved for release. Disapproved BCPs and disapproved versions of BCPs remain confidential working papers and must not be released. Responses to any requests for confidential budget documents under the Public Records Act or pursuant to discovery requests must be coordinated with Finance legal staff.”

The Commission staff has identified an additional concept for the FY 2008-09 budget development cycle for members of the Commission to consider:

1. Funding for Validity Studies and Examination Development

The proposed 2008-09 BCP Summary is provided on the next several pages for review.

Recommendation

Commission staff seeks the approval to develop the concept into a full BCP, as required by the Department of Finance (DOF), and submit the proposal to the Department of Finance by the February 13, 2008 deadline. The approval/denial status of the BCP proposal will not be available until the release of the 2008-09 April 1st or May Revision.

BUDGET CHANGE PROPOSAL SUMMARY FISCAL YEAR 2008-09

Concept 1

PROPOSED TITLE: Funding for Validity Studies and Examination Development

Summary

The Commission's examinations require periodic validity studies, which the Commission needs to fund, in order to maintain the validity and reliability of these examinations for credentialing purposes. The outcome of a validity study often results in needing to make revisions and/or updates to the particular examination(s). These revisions become part of a subsequent examinations development process which the Commission then also needs to fund. This BCP concept requests \$350,000 in additional expenditure authority from the Test Development and Administration Account (TDAA) to support these activities. The Commission already has \$250,000 within the existing appropriation to support only the validity studies work. This BCP concept would request the flexibility to use the \$250,000, within existing resources, along with the new request of \$350,000 for a total of \$600,000 for exam development and/or validity studies activities, as needed.

Justification

The Commission has historically maintained an annual set-aside of \$250,000 within the TDAA to pay for validity studies for Commission-owned examinations. However no funding has been set aside for examinations development work resulting from validity studies and/or for examinations development resulting from new legislation or from needs within the field for new or updated credentialing examinations. Staff is proposing an expanded annual set-aside of \$600,000 within the TDAA which could be used on an as-needed basis to fund validity and/or examinations development work.

In the past the Commission rolled the development costs of examinations within the existing contract and the candidate paid for these activities as part of their exams registration fee. This past year the Commission entered into "Administration Only" examination contracts and as a result was able to lower the candidate fees. In an effort to minimize the fees paid by candidates, this revised/expanded approach to examination development and and/or validity studies work would allow the Commission flexibility to ensure exams are validated and developed in a timely manner.

The Commission's budget has sufficient resources within the TDAA to support an increased set-aside for funding validity studies as well as for examinations development work.

Benefits

Validity and examinations development work could proceed on an as-needed basis without having to wait until a specific funding source was identified and approval obtained for the use of funds for that purpose. The single set-aside of a larger amount would allow for flexibility in use of the funding (e.g., one year a majority of the funds might be needed for validity work with less needed for development work, while another year the funds might be needed entirely for development work). The Commission would also have the ability to respond to potential

legislation, as well as to needs from the field, in a more timely manner without having to wait for approval for the use of funds for the specific purpose.

Budget Assumptions

In FY 2008-09 \$350,000 is requested from the Test Development Administration Account for the development and validity work associated with various Commission-owned examinations. In addition, approval is requested that the existing \$250,000 within the Test Development Administration Account be used for either development or validity work as needed.

